

# Relational Configuration in Commercial Diplomacy

Dr. David Bruce  
Dr. Leigh Anne Liu

Business Diplomacy Workshop  
Brussels, 14 November 2008



**Institute of International Business**

Prof. Bruce, 404/413-7279  
[dbruce@gsu.edu](mailto:dbruce@gsu.edu)

Prof. Liu, (404) 413-7288  
[laliu@gsu.edu](mailto:laliu@gsu.edu)



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS

# Commercial Diplomacy as Theme in Global Partners MBA

The program is conducted by three business schools:

- Georgia State University (Robinson)
- The Federal University of Rio de Janeiro (COPPEAD)
- The Sorbonne (IAE)

Coursework is delivered in Atlanta, Rio, and Paris and during executive trips to Washington, D.C. and China (Beijing, Shanghai)



GLOBAL PARTNERS MBA  
ATLANTA · RIO · PARIS

# Themes

- Executive Leadership
- Commercial Diplomacy  
(Management Perspective)



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS

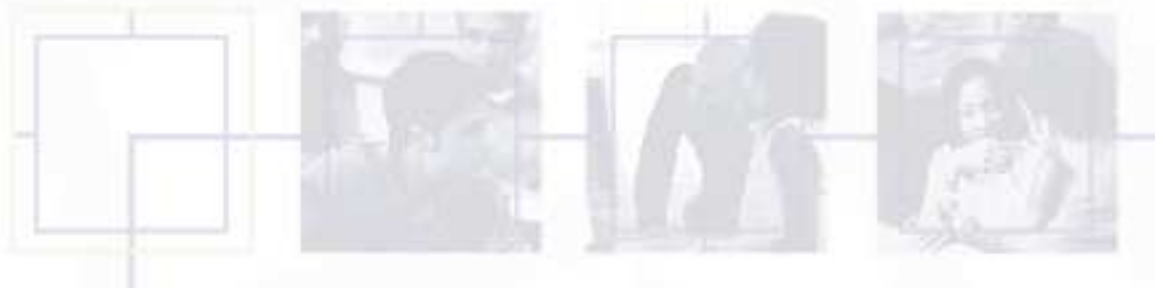


## Definition for GP MBA

*Commercial Diplomacy*— the creation and enhancement of commercial relations between companies, or their representatives, and the governments, policy making bodies, regulators, political agencies, and non-governmental policy players in established or developing global markets.



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Topics

- Global Trade Issues, Trade Regimes, and Country Concerns (Home and Host)
- Risk Assessment, Analysis, and Forecasting
- Cultural Awareness and Negotiation
- Networking and Coalition Building
- Country Engagement and Risk Management

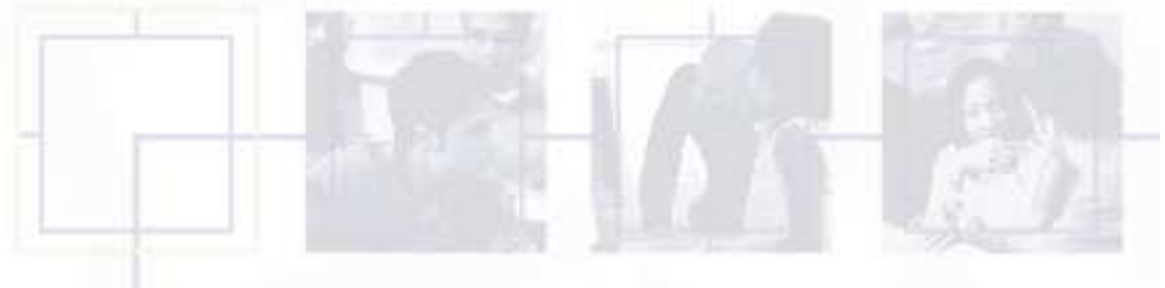


GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS

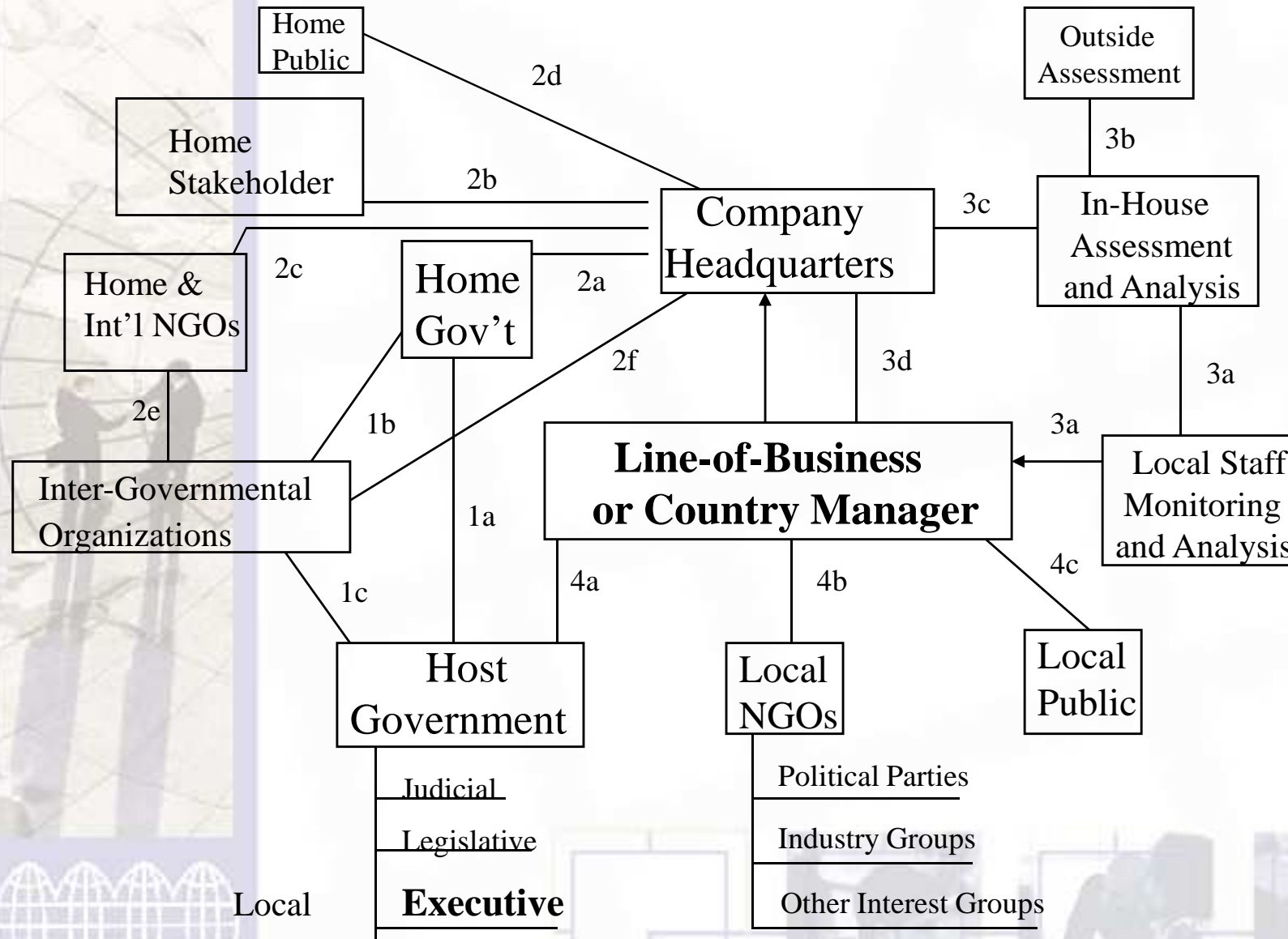


# CD Relationships

1. Relationships between with Home Governments and Trade Organizations
2. Headquarters Links with Stakeholders and the Broader Society
3. Relationships for In-house and Outsourced Risk Assessment, Analysis, and Forecasting
- 4. Relationships in Host Countries**



# Commercial Diplomacy Relationships



# Commercial Diplomacy: Home and International Players

- National Governments
- Home and International Public Opinion
- International NGOs
- Regional IGOs
- Global IGOs
- Others?



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS





# Commercial Diplomacy: Support Resources and Players

- Industry Associations
- Accounting Firms
- Banks
- Insurance Companies
- Outside Risk Firms
- Home Governments
- Law Firms
- Lobbyists
- Company Public Affairs
- In-House Risk Division

Manager (In-Country, Line-of-Business, Headquarters)



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Commercial Diplomacy: Host Country and Local Players

- National Governments
- Local Governments
- Industry Groups
- General Public
- Local NGOs
- Others?



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Commercial Diplomacy: Support Resources and Players

- Industry Associations
- Accounting Firms
- Banks
- Insurance Companies
- Outside Risk Firms
- Home Governments
- Law Firms
- Lobbyists
- Company Public Affairs
- In-House Risk Division

Manager (In-Country, Line-of-Business, Headquarters)



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Relationship Networks

Network analysis on:

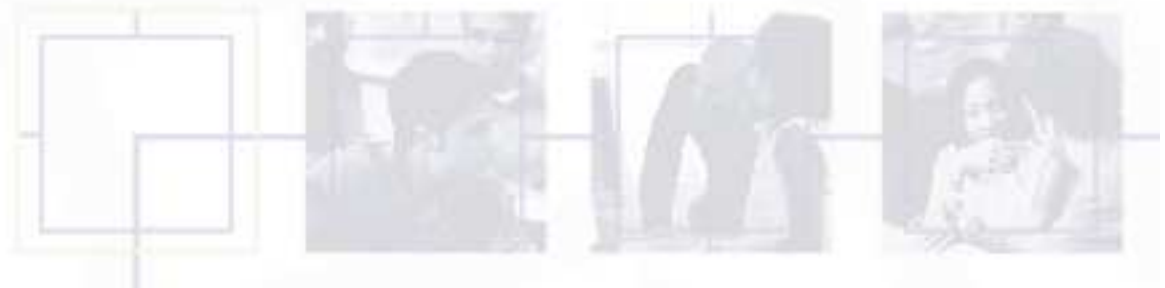
Transformational and Transactional Relationship Schemas and Their Dynamic Malleability in Multinational Business Diplomacy

in progress by:

- Leigh Anne Liu  
Georgia State University
- Zhi-Xue Zhang  
Peking University
- Chi-Yue Chiu  
University of Illinois Urbana-Champaign



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Social Capital vs. Guanxi

- Social Capital: social channels and mutual understanding that expedite or hamper action, including features of social organization, such as trust, norms, and networks, that can improve efficiency by facilitating coordinated actions and that of the actual and potential resources embedded within the network of relationships



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Social Capital vs. Guanxi

- Guanxi: social connections based on mutual interest and benefits and reciprocal exchange of favors as well as mutual obligations, and that also engender trust and thereby serves as a form of insurance in otherwise risky environments



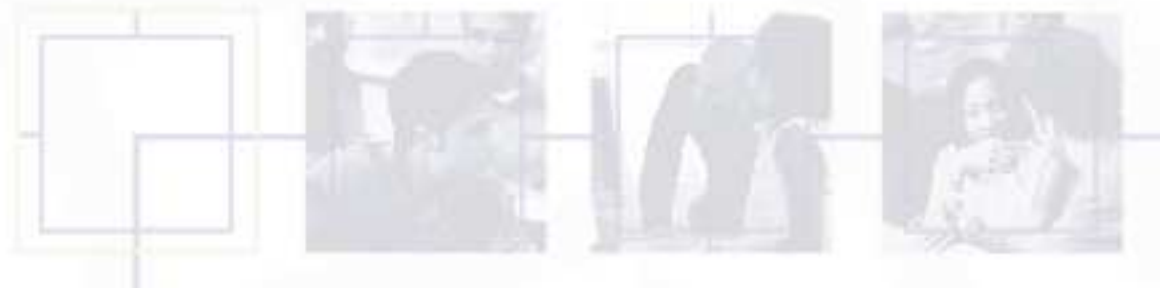


# Training for Commercial Diplomacy: Global Partners MBA Model

- Future Business Leaders
- Specialists in Commercial Diplomacy?



  
GLOBAL PARTNERS MBA  
ATLANTA · RIO · PARIS



# Course Relationships

## *International Business*

- IB Environment
- Ethics
- MNC Structure
- Culture and Communication
- Conflict Resolution/Negotiation
- Global Leadership

## *Commercial Diplomacy*

- Trade, Globalization
- Country Concerns
- Risk Assessment Process
- Cultural Awareness
- Market Entry Negotiation
- Country Engagement

***Formal Linkage: Simulation Negotiation***

# Other Course Relationships with the Commercial Diplomacy Theme

## Courses

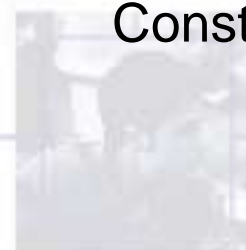
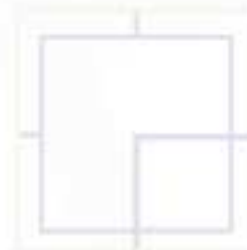
- Legal
- Operations
- Marketing
- Finance
- Technology
- Int'l Accounting
- Integration
- Markets
- OB/HR
- Acc'ting/Control
- Policy and Strategy

## Topical Links

- Rules, Dispute Resolution
- Trade Regimes
- Access Rules
- Monetary Stability
- Technical Standards
- GAAP Standards
- Inter-Gov'tal Processes
- Access, Risk Assessment
- Standards, Culture
- Standards
- Business-Gov't Relations and International Constraints



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Washington Field Experience

## Business-Government Relations, Trade Policy

- Legislative Branch
- Executive Branch
  - Regulatory Agencies
  - Promotional Agencies
- International Organizations
- Industry Associations
- Corporate Public Affairs Offices
- Law Firms
- Embassies

## Lobbying Process



# Overseas Experiences in Brazil, France, Belgium, China

- Government Agencies
- Local Government Trade Promotion Authorities
- Inter-Governmental Trade Organizations
- Industry Associations
- Local Organizations
- Corporate Visits (addressing commercial diplomacy dimensions)



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Follow Through

- Case Analyses
- Class Sessions in Atlanta
- Internships
- Final Presentation



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS



# Commercial Diplomacy

at the Robinson College of Business,  
Institute of International Business

## Questions ?



GLOBAL PARTNERS MGA  
ATLANTA · RIO · PARIS

